



**October 2003**

# **Producer News**

## **Nebraska Farm Service Agency**

7131 A Street  
Lincoln, Nebraska 68510-7975

### **Hours**

Monday - Friday  
8:00 a.m. - 4:30 p.m.

### **State Committee**

Milton Rogers, Chairman  
Mary Gerdes  
Dennis Richters  
Ron Ochsner  
Rob Anderson

### **Staff**

Brian Wolford, State Executive Director  
Mike Sander, Administration  
Bob Jedlicka, Farm Loan Chief  
Greg Residorff, Conservation and  
Environmental Programs Chief  
Dan Steinkruger, Production and  
Compliance Chief  
Doy Unzicker, Price Support Programs Chief

## **Comments from Brian Wolford, Nebraska State Executive Director**

The Nebraska Farm Service Agency is administering several important programs that I hope all producers are aware of.

**2004 Farm Bill Signup** begins Oct. 1. The new farm bill requires producers to complete a new contract each year. Nebraska FSA will be accepting contracts beginning in October. The first half of the direct 2004 payment can be received as early as December of this year.

**Final 2003 Direct Payments** will be made beginning in October. All contract signatures must be in place before this payment can be made. Those who have completed the 2003 Farm Bill signup process do not need to take further action. The payment will be deposited to your checking account or mailed to eligible producers.

**Crop Disaster Program** signup continues. This program helps reimburse producers for crop yield and quality losses that occurred during the 2001 or 2002 crop years. Over \$121 million has been paid to Nebraska producers since June of this year.

**Livestock Assistance Program** – signup for this program continues through Oct. 24, 2003. Producers who experienced grazing losses during the 2001 or 2002 grazing year should consider this program. Producers that share-lease cattle and were not eligible for the Livestock Compensation Programs or Cattle Feed Programs should carefully consider applying.

**Sugar Beet Disaster Program** signup began Sept. 15 and runs through Oct. 31. After all applications are received the \$60 million in this national program will be factored and allocated amongst eligible applicants.

**FSA Borrowers and Guaranteed Lenders** should take note that USDA's new fiscal year began on Oct. 1. Demand for loans typically exceeds funding availability. It is extremely important that borrowers and lenders wanting to utilize FSA loan funds in 2004 make applications as early as possible.

**Thank you** to all producers for your cooperation and patience during this past year. Our staff has worked very hard and will continue to work diligently to deliver programs and payments to Nebraska producers in a timely manner.

Dates to Remember	
Sept. 30	NAP deadline for alfalfa, mixed forage, fall seeded small grains
Oct. 1	Sign up for 2004 Direct and Counter-Cyclical Program begins
Oct. 13	Columbus Day – Federal offices closed
Oct. 24	Sign up deadline for Livestock Assistance Program
Oct. 31	Sign up deadline for Sugar Beet Disaster Program
Nov. 11	Veterans Day – Federal offices closed
Nov. 18	County committee election ballots mailed to voters
Nov. 27	Thanksgiving Day – Federal offices closed
Dec. 1	Deadline to return ballots for county committee election
Dec. 1	NAP deadline for grass, apples, asparagus, cherries, grapes, honey, plums, strawberries

## CRP Sign Up Results

The 26<sup>th</sup> sign up for the Conservation Reserve Program in Nebraska netted nearly 3,000 offers to enroll over 166 thousand acres. Of those offers, 1,699 covering 81,370 acres, or about 57 percent of the offers and 49 percent of the acres, were accepted for enrollment. That puts Nebraska ahead of the national averages.



Between the end of the application period and Aug. 25, when the results were announced, every CRP offer—over 71,000 nationwide—was evaluated against the Environmental Benefits Index and ranked accordingly.

The EBI ranked offers based on five environmental factors as well as a cost factor. The environmental factors were soil erosion, water quality, enduring benefits, air quality and wildlife enhancement. The maximum EBI score was 545, of which 395 points were for the 5 environmental factors and 150 points were for the cost factor. While offers with an EBI of 269 or better were considered acceptable for enrollment, the average EBI for accepted offers was 302.

Average rent offered for Nebraska was \$54.95. The average national rate was \$56.53.

Eligible land that was offered for enrollment but not accepted may be offered again during any CRP sign up, including CRP's continuous sign up program. The likelihood of acceptance may be increased by offering to accept less than the maximum payment rate for the acreage, agreeing to establish a more beneficial cover or limiting the offer to only the most environmentally sensitive portion of a parcel of land.

The 2002 Farm Bill authorized an increase of 2.8 million acres in CRP enrollment to 39.2 million acres. Special initiatives within CRP—the continuous sign up program, Conservation Reserve Enhancement Program and Farmable Wetland Program—account for about 2.5 million acres.

## Need Help?



From time to time we all need help locating information. The Farm Service Agency is trying to make more information available online. Here are some of the online resources currently available. All of these resources can be accessed from the Nebraska FSA home page. Simply point your browser to <http://www.fsa.usda.gov/ne>.

**eForm.** By visiting <http://forms.sc.egov.usda.gov/eforms/mainervlet>, you can browse, fill in and print many FSA and CCC forms. If you would like to save your forms online and submit them, or e-File, to your USDA Service Center, you must register and obtain a customer ID. Once you're set up, e-File is convenient. The Internet allows you access to

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information 24 hours a day and 7 days a week. For example, you can fill out and submit electronic forms (eforms) any time of the day or night from your home. Information submitted to the federal government remains safe and secure because every customer has a unique User ID and password and only authorized USDA employees can access the information.

To get started with e-File, you may apply in person at your local Servicing Center or by mail or fax.

To apply in person, visit your local Service Center; complete and sign a simple form, AD-2016; your service center will verify your identity and enter your information into our records; you will be given a letter with your temporary ID by the Service Center; you will be mailed a second letter with your temporary password and instructions to activate your account; you will go to the Activation web site and select a permanent ID and password.

To apply by mail or fax, you can call your local Service Center and they can mail you the form AD-2016. Or, you can print the AD-2016 from the Internet. Then, complete the form with a notarized signature and mail or fax it to your local Servicing Center. You will be mailed two separate letters. One will provide you with your temporary ID and the second will provide you with your temporary password and instructions to activate your account. You will go to the Activation web site and select a permanent ID and password.

**Commodity Loan Program Information** If you're wondering what the loan rate is for a given commodity in your county or whether or not LDPs are available, you can log on to the Nebraska FSA Web page (<http://www.fsa.usda.gov/ne>) and click on the button for "Daily LDP Rates." That will take you to a Web page where you can select the county and crop year you're interested in.

**Disaster Programs** If you're interested in information about FSA's disaster programs, point your browser to <http://disaster.fsa.usda.gov/>. (Note that there is no "www" in front of "disaster.") You'll find information about the Sugar Beet Disaster Program, Livestock Assistance Program and 2003 Non-Fat Dry Milk Livestock Feed Assistance, to mention a few.

**2002 Farm Bill** Finally, if you're interested in information about the 2002 Farm Bill and the Direct and Counter-Cyclical Program, point your browser to <http://www.fsa.usda.gov/pas/farmbill/>.

## ***Funding for Socially Disadvantaged Applicants***

The Farm Service Agency can make direct and guaranteed loans to socially disadvantaged applicants to buy and operate family-size farms and ranches. Funds are specifically reserved for these loans each fiscal year.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African

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Americans, American Indians, Alaskan Natives, Hispanics and Asian Americans and Pacific Islanders.

Direct loans may be made to applicants by FSA for both farm operating and farm ownership loans. Guaranteed farm loans also may be made for ownership or operating purposes, and may be made by any lending institution subject to federal or state supervision (banks and the Farm Credit System) and guaranteed by FSA. FSA typically guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Persons who are primarily and directly engaged in farming and ranching on family-size operations may apply.

Socially disadvantaged loan applicants *do not* receive automatic approval. In addition to being members of a socially disadvantaged group, individual applicants under this program must meet *all* requirements for FSA's regular farm loan program assistance, including:

- Have a satisfactory history of meeting credit obligations;
- Have sufficient education, experience and/or training that indicates the managerial ability to assure reasonable prospects of success;
- Be a citizen of the United States (or a legal resident alien), including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Island Trust Territories;
- Be unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs; and
- Possess legal capacity to incur loan obligations.

Contact your local Farm Service Agency county office or USDA Service Center for more information.

### ***Livestock Assistance Program***

Sign up for the 2001-2002 Livestock Assistance Program began Aug. 6 and is scheduled to end Oct. 24. LAP will provide additional relief to livestock producers who suffered and related causes.



Under LAP, a producer's grazing land must have been declared a primary disaster area under a presidential or secretarial declaration. The county must have been approved after Jan. 1, 2001, and a designation requested no later than Feb. 20, 2003, and subsequently approved. Contiguous counties are not eligible.

For those counties designated as a disaster area for 2001 or 2002, additional LAP

eligibility criteria must be met for each year. The county must have suffered at least a 40 percent grazing loss for 3 or more consecutive months in a calendar year in order to be eligible for that year. The county may meet eligibility requirements for both 2001 and 2002; however, a producer in that county may receive a LAP payment for only one of the years.

While LAP is a grazing loss program, payments are made on a per head basis for eligible livestock, including beef and dairy cattle, buffalo, beefalo, sheep, goats, swine and certain equine animals.

**The Fine Print** A producer must have control of adequate grazing land to support the eligible livestock. During 2001 or 2002, a livestock producer must have suffered a 40 percent or greater loss of grazing production for 3 or more consecutive months due to drought, hot weather, disease, insect infestation, flood, fire, hurricane, earthquake, severe storm or other natural disasters.

In a change from previous Livestock Assistance Programs, an adjusted gross income, or AGI, limitation applies. Also, LAP payments to a producer will be reduced by the amount of assistance received by that producer under previous Livestock Compensation Programs (LCP-I, LCP-II) and the 2002 Cattle Feed Program. A producer must possess beneficial and financial interests in eligible livestock that have been owned or leased for at least three months. A \$40,000 payment limitation also applies to LAP assistance.

The Agriculture Assistance Act of 2003 authorized \$250 million for the Livestock Assistance Program. If, after the sign-up period ends, the total value of all applications exceeds \$250 million, a national factor will be applied.

## ***Marketing Assistance Loans, LDPs***

Marketing assistance loans and loan deficiency payments can mean the difference between a good year and a not-so-good year for producers. With that in mind, it's important to comply with the rules.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD).

To be eligible for loans and LDPs, producers must comply with conservation and wetland protection requirements; report how they use their cropland acreage on the farm; have beneficial interest in the commodity on the date the loan or LDP is requested and, in the case of a loan, retain beneficial interest while the loan is outstanding; and ensure that the commodity meets CCC minimum grade and quality standards.

Beneficial interest means the producer retains the ability to make decisions about the commodity; is responsible for loss or damage to the commodity; and has title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan or LDP—even if the producer regains beneficial interest.

For commodities to be eligible for loans or LDPs, they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. Producers must maintain the quality of the commodity in farm storage throughout the term of the loan.

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Starting with the 2003 crop, individuals and entities whose previous 3-year average adjusted gross income, or AGI, exceeds \$2.5 million are ineligible for LDPs and market loan gains unless they can show that at least 75 percent of their AGI comes from agriculture.

The 2002 Farm Bill set limits of payments a “person” can receive. The total of LDPs and market loan gains received by a producer is limited to \$75,000 for each crop year. That means \$75,000 for wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, dry peas, lentils and small chickpeas; and, \$75,000 for peanuts, wool, mohair and honey.

Participation in the Direct and Counter-Cyclical Program is not required to be eligible for loans or LDPs.

Violating provisions of the loan and LDP program may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans and LDPs.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization or providing an incorrect quantity certification.

### ***NAP Deadline Approaching***

The Non-Insured Crop Disaster Assistance Program (NAP) can soften financial losses caused by natural disasters, but only if you’ve applied for coverage and pay the application fee. The application deadline date for the 2004 NAP crops is soon approaching.

NAP kicks in when natural disasters result in a catastrophic loss of production or prevented planting of an eligible crop. NAP coverage is equivalent to that provided Catastrophic Risk Protection Plan (CAT) insurance and is available for commercial crops or agricultural commodities produced for food or fiber for which CAT is not available. NAP coverage is not available for livestock.

Producers who already have coverage on 2003 NAP crops may choose to continue coverage on the same crop or crops for 2004, if the applicable service fee is submitted by the application closing date. A new form CCC-471, application for coverage, is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add or delete a crop from previous year’s coverage or changing crop shares must file a new CCC-471, with signatures, and pay the applicable service fee.

Producers with 2003 NAP coverage must remember to complete the following to qualify for benefits:

Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.

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File a Notice of Loss within 15 days of when a loss is apparent, such as due to drought, hail, etc.

NAP application deadlines:

Dec. 1, 2003

- grass • apples • asparagus • cherries • grapes • honey • plums
- strawberries.

## ***Spousal Signatures***

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the County Office from either spouse.

There are exceptions to the rule. For example, spouses may not sign FSA-211s on behalf of each other or sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Spouses must have a power of attorney on file or sign personally for claim settlements, such as promissory notes, and on security documents for price support loans.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

A spouse's authority to sign documents on behalf of the other spouse does not entitle a spouse to review or receive agency records of the other spouse.

## ***2001/2002 Sugar Beet Disaster Program***

Signup for the Sugar Beet Program began Sep.15, 2003 and will continue until Oct. 31, 2003. Eligible growers must have suffered at least a 35 percent production loss on a unit to qualify for payment. Because there is limited national funding of \$60 million for the program, a national payment factor may apply. Contact your local FSA office to apply under the sugar beet disaster program.

## ***2001/2002 Crop Disaster Program (CDP)***

FSA offices continue to accept applications under the Crop Disaster Program (CDP). At this time a final application date has not been announced.

To be eligible, a unit must have suffered a production loss of at least 35 percent in one of the years 2001 or 2002. The program also includes compensation for quality losses. To be eligible for a quality adjustment, a unit must have at least a 20 percent loss in quality on the affected crop in one of the years 2001 or 2002.

Crop disaster applications continue to be processed. As of September, Nebraska FSA Offices have issued over \$121 million in 2001/2002 disaster program payments.

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## ***2004 Direct and Counter-Cyclical (DCP) Signup***

Signup for the 2004 DCP begins Oct. 1, 2003. Contact your local FSA office to schedule an appointment to enroll your farm(s). When updating the 2004 contract, you may elect to receive your advance direct payments any time from December 2003 through September 2004.

### **2004 Program Information**

- Farm Changes – report any farming operation changes to FSA so that we can keep your records current. This includes, but is not limited to, changes in landownership, tenants, or crop share arrangements.
- Plan on updating your payment limitation documents and other program eligibility records starting in October 2004.
- Reconstitutions – changes that require farm reconstitutions should be reported to FSA as soon as possible so that your records can be updated prior to 2004 DCP signup.

### **Direct and Counter-Cyclical Yield Reviews**

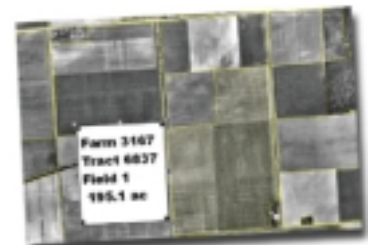
FSA is in the process of completing a final review of production evidence to support program yields. Yields were established under the initial base and yield election process.

Farmers and landowners will be notified if they need to submit production records or additional documentation to substantiate oilseed yields and/or counter-cyclical yields for other crops.

The review will include final yield notification to producers on selected farms.

### ***Geographic Information System (GIS) Maps***

FSA is converting from paper photography to a computerized GIS acreage system. The GIS utilizes imagery and software to accurately delineate fields, tracts and farms. GIS is used to print maps and to determine acreage that FSA uses for program administration.



The conversion to GIS requires the re-measurement of every field. Acreages in your fields will change as a result of this conversion. The use of GIS will result in more accurate acreage data.

As FSA converts to GIS, you will be notified of any acreage revisions in writing. At that time, you should report any concerns you have with the field, tract or farm boundaries to FSA within 30 days.

In some cases, acreage changes will affect DCP bases and/or CRP contracts.



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Contact your local FSA office about GIS changes or to request other information about the USDA conversion to GIS and GPS (Global Positioning System) use.

### ***2003 Direct and Counter-Cyclical Program (DCP)***

**DCP Contract Changes** Tuesday, Sept. 30, 2003, is the final date to update and sign 2003 DCP contracts to reflect changes that have occurred on farms during the 2003 crop year. This includes owner, operator or share changes that have occurred since the original 2003 contract was signed. To meet program requirements, contracts must be revised to reflect the risk in crop production on base acreage. Failure to revise contracts will result in an invalid DCP contract and require the refund of all DCP payments for the year.

**2003 DCP Final Direct Payments** Starting approximately Oct. 1, 2003, Nebraska FSA offices will be issuing final direct payments. Final payments represent the second half of the 2003 direct DCP payments. Advance payments were issued after signup if requested. Direct payment rates are:

	<b>Total Payment Rate</b>	<b>Advance Rate</b>	<b>Final Rate</b>
Wheat	\$.52/bu	\$.26/bu	\$.26/bu
Barley	\$.24/bu	\$.12/bu	\$.12/bu
Oats	\$.24/bu	\$.12/bu	\$.12/bu
Corn	\$.28/bu	\$.14/bu	\$.14/bu
Grain Sorghum	\$.35/bu	\$.175/bu	\$.175/bu
Soybeans	\$.44/bu	\$.22/bu	\$.22/bu
Oilseeds	\$.008/lb	\$.004/bu	\$.004/bu

If an advance DCP direct payment was not issued, the total amount earned will be issued in the final payment.

**2003 Counter-Cyclical Payments** Secretary of Agriculture Ann Veneman will be announcing the projected counter-cyclical payment rates for 2003 crops in the near future. Advance payments will be issued if they were requested at the time of signup on the 2003 contract.

A 35 percent advance will be issued in October 2003. If applicable, a second 35 percent advance will be issued in February 2004 and the final counter-cyclical payments will be issued in July 2004 for wheat and oats and October 2004 for corn, sorghum, and soybeans.